

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: ASHLAND EXPLORATION, INC.

) VIRGINIA GAS
) AND OIL BOARD

RELIEF SOUGHT: (1) POOLING OF INTERESTS IN A
DRILLING UNIT LOCATED IN THE
PILGRIMS KNOB GAS FIELD AND
DESCRIBED IN EXHIBIT "A" HERETO
TO BE SERVED BY WELL PKG-18
(herein "Subject Drilling Unit")
PURSUANT TO § 45.1-361.21, CODE
OF VIRGINIA, FOR THE PRODUCTION
OF CONVENTIONAL NATURAL GAS FROM
SUBJECT FORMATIONS (herein
referred to as "Gas")

) DOCKET NO.
) VGOB 94-051-0438
0419

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY WELL
NUMBERED PKG-18 DEPICTED ON EXHIBIT A HERETO,
PILGRIMS KNOB GAS FIELD, PATTERSON QUADRANGLE
NORTH GRUNDY MAGISTERIAL DISTRICT,
BUCHANAN COUNTY, VIRGINIA
(the "Subject Lands" are more
particularly described on Exhibit
"A", attached hereto and made a
part hereof)

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on May 17, 1994, Ratliff Hall, Southwest Virginia 4-H Educational Center, Abingdon, Virginia.

2. Appearances: J. Grant McGuire of the firm Campbell, Woods, Bagley, Emerson, McNeer and Herndon appeared as counsel for the Applicant; Donald R. Johnson, Esquire, appeared as counsel for the Lon B. Rogers-Bradshaw Trust Number One and the Lon B. Rogers-Bradshaw Trust No. Two; Elizabeth McClanahan of Penn, Stuart, Eskridge & Jones appeared as counsel for Jewell Smokeless Coal Corporation; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to § 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas or oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to those parties so identified in Exhibit C (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by § 45.1-361.19, Virginia Code, 1950 as amended, to notice of this application; and (3) that the persons set forth in Exhibit D hereto have been identified by applicant as owners of gas or oil who have not heretofore leased or voluntarily agreed to pool their Gas interests in Subject Drilling Unit. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1950 as amended. Whereupon, the Board

hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibit D was amended to delete as parties those persons listed in Paragraph 5 who leased their gas and oil interests to the Unit Operator subsequent to the filing of the Application.

5. Dismissals: The following parties who leased their interests to the Operator: Janice Humphrey.

6. Relief Requested: Applicant requests that pursuant to § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates of the known and unknown persons listed in Exhibit D hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, in and to the Gas for the drilling and operation, including production, of Gas from the Subject Drilling Unit established for the Berea Sandstone formation and any other non-coalbed formation below the base of the Lee Formation to the total depth drilled of 5,247 feet where incidental gas may be found (herein "Subject Formations") underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (3) that the Board designate Applicant as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to § 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Ashland Exploration, Inc. (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate the well in the Subject Drilling Unit to produce Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Pilgrims Knob Gas Field Rules established by the Board's Order entered June 17, 1991, all as amended from time to time; and (2) the Gas interests and estates in Subject Drilling Unit of the known and unknown persons listed on Exhibit D, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>
The Berea Sandstone and any other non-coalbed formation below the base of the Lee Formation to the total depth drilled of 5,247 feet where incidental gas may be found	Approximately 180-acre square drilling unit	PKG-18 (See Exhibit A	Pilgrims Knob Gas Field established by Board Order entered June 17, 1991

For the Subject Drilling Unit
underlying and comprised of the Subject
Land Served by Well No. PKG-18

Buchanan County, Virginia

8. Election and Election Period: In the event any gas or oil owner named in Exhibit D has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said gas or oil owner and the Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner named in Exhibit D who has not reached a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

\$307,000.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's Percentage Interest in Unit as set forth in Exhibit D times the costs stated immediately above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner named in Exhibit D who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per

net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development covered by this Order multiplied by the gas or oil owner's Percentage Interest in Unit as set forth in Exhibit D [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing gas or oil owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any gas or oil owner who has not reached a voluntary agreement with the Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had

participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person fails to elect within the time, in the manner and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated, Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person pooled hereby is unable to reach a voluntary agreement to share in the operation of the well contemplated by this Order at a rate of payment agreed to mutually by said gas or oil owner and the Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): Ashland Exploration, Inc., be and hereby is designated as Unit Operator authorized to drill and operate Well No. PKG-18 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations, §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Pilgrims Knob Gas Field Rules established by Board Order entered June 17, 1991, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Ashland Exploration, Inc.
P. O. Box 391
Ashland, KY 41114
Phone: (606) 329-5830
Fax: (606) 329-3044
Attn: Land Department

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced herein.

Upon completion of any well whose costs comprise part of the Estimated, Completed-for-Production Costs set forth in Paragraph 9.1 above, and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
P. O. Box 909
Tazewell, VA 24651
(herein "Escrow Agent")

16.2 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with

any funds of the Unit Operator and shall, pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, and said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.

17. Special Findings: The Board specifically and specially finds:
 - 17.1 Applicant is a Delaware corporation duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 17.2 Applicant claims ownership of gas leases on 90.1 percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same.
 - 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 17.4 Applicant has proposed the drilling of Well No. PKG-18 to a depth of 5,247 feet on the Subject Drilling Unit to develop the pool of Gas in Subject Formations.
 - 17.5 Set forth in Exhibit C is the name and last known address of each person of record identified by the Applicant as potential gas or oil, coal or mineral owners who may have an interest in the Subject Drilling Unit underlying and comprised of Subject Lands and set forth in Exhibit D are the names and addresses of owners of gas or oil who have not heretofore leased or voluntarily agreed to pool their interests representing 9.9 percent of said interest in Subject Drilling Unit.
 - 17.6 Permit No. 2648 was issued by the Director, Division of Gas and Oil, on March 11, 1994 for Well PKG-18. Thereafter, Jewell Smokeless Coal Corporation filed a Petition for Appeal of the Director's Decision pursuant to Virginia Code § 45.1-361.36, and the Director entered an Order of Stay on Permit No. 2648 until the Board rendered its decision on Jewell Smokeless' appeal or until such stay was dissolved or the appeal decided by the Circuit Court. At a hearing held on May 17, 1994, the Board upheld the Director's decision IFFH 8294 under VGOB Docket No. 94-0419-0439.
 - 17.7 The estimated average production for Well PKG-18 over its projected 32-year life is 335 MMCF with estimated average production of 120 mcf/d during the first year, and 50 mcf/d during the first 10 years after completion. The estimated amount of reserves contained within Subject Drilling Unit is 335 MMCF.
 - 17.8 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above.
 - 17.9 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas.

17.10 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the gas and/or oil from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of gas and oil, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

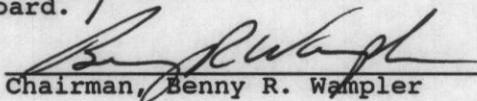
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

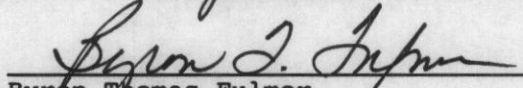
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 29th day of September, 1994, by a majority of the Virginia Gas and Oil Board.

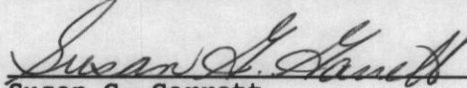

Chairman, Benny R. Wampler

DONE AND PERFORMED this 29th day of September, 1994, by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of September, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA
COUNTY OF WISE

)
)
Acknowledged on this 29th day of September, 1994,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is
Principal Executive to the Staff of the Virginia Gas and Oil Board, that he
executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 9/30/97

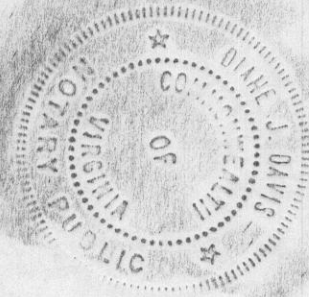


EXHIBIT A

SUBJECT LANDS

Commencing at the NW corner of B-23 of the Oakwood Coalbed Methane Grid coordinate value of N 365,006.62' E 986,647.78' Va. State Plant South Zone; thence S 87 degrees 51' 02" E - 25,201.87' to the true point of beginning being the SW corner of PKG-18 of the Pilgrims Knob Gas Field Grid and have a coordinate value of North: 364,121.42' and East: 1,011,831.34' said coordinate in from the Virginia South Zone; thence N 02 degrees 08' 58" E - 2800.143' to the NW corner PKG-18; coordinate value of N: 366,919.59' E: 1,011,936.36'; thence, S 87 degrees 51' 02" E - 2800.143' to the NE corner of PKG-18 coordinate value on N: 366,814.57' E: 1,014,734.53'; thence S 02 degrees 08' 58" W - 2800.143 to the SE corner of PKG-18 coordinate value of N: 364,016.40' E: 1,014,629.51"; thence N 87 degrees 51' 02" W - 2800.143 to the true point of beginning containing 180 acres.

BOOK 427 PAGE 758

LATITUDE 37° 17' 30"

1 1/2' TOPO
LOCATIONROGERS NO. 11
Depth - 4,797'
Form. - BereaPKG-18
180.00 AC. UNIT

P/O

78°01'18" E TR 68

2631.96'

(COAL LESSEE)
JEWELL SMOKELESS
COAL CORP.
JEWELL RIDGE
COAL CO.
ISLAND CREEK
COAL CO.(OIL, GAS & COAL OWNER)
DAY HEIRS
38.82 AC. - 21.57%**A.G. DAY HEIRS**
NO. 1 LOC.Va. STATE PLANE
N 366321.27
E 1012304.33
JEWELL SMOKELESS
N 60984.13
E 75234.59
ISLAND CREEK COAL CO.
N 60941.75
E 75228.40
Est. TO 5,247'
Form. Berea(COAL LESSEE)
JEWELL SMOKELESS
COAL CORP.
JEWELL RIDGE
COAL CO.
ISLAND CREEK
COAL CO.(SURFACE)
DENNIS
R. KELLY
DB: 187
PG. 282

TRAILER

S 07°33'03" W
1243.06'S 38°59'17" E
942.28'

N: 365,500'

S 44°26'28" W

920.80'

N 36°48'32" W

198.00'

TR 38

LON B. ROGERS
22.58 AC. - 12.54%IRON PIN
CALL
FOR LYNN
(GONE)IRON PIN
CALL
FOR C. OAK
(GONE)TR 37
1.93 AC. - 1.07%**INSERT**
JEWELL SMOKELESS
VALUES

N 86°01'37" E

193.37'

DAY HEIRS
NO. 1
LOCATION3/4" IRON
PIN SET
N 60997.53
E 75427.50S 47°16'03" E
223.52'3/4" IRON
PIN SET
N 60832.45
E 75398.77

SCALE: 1" = 200'

S 12°10'17" E
2,700.45'
ROGERS NO. 7
Depth - 4,947'
Form. - BereaVa. STATE PLANE
TO
JEWELL SMOKELESS COAL CO.
ROTATION
- 01° 35' 25"
Va. STATE PLANE
TO
ISLAND CREEK COAL CO.
ROTATION
- 01° 37' 18"

TR 9

LON B. ROGERS
7.81 AC. - 4.34%TR 68
LON B. ROGERS
108.86 AC. - 10.46%

COMMONWEALTH OF VIRGINIA

STEPHEN N. PARKS

REGISTERED PROFESSIONAL ENGINEER

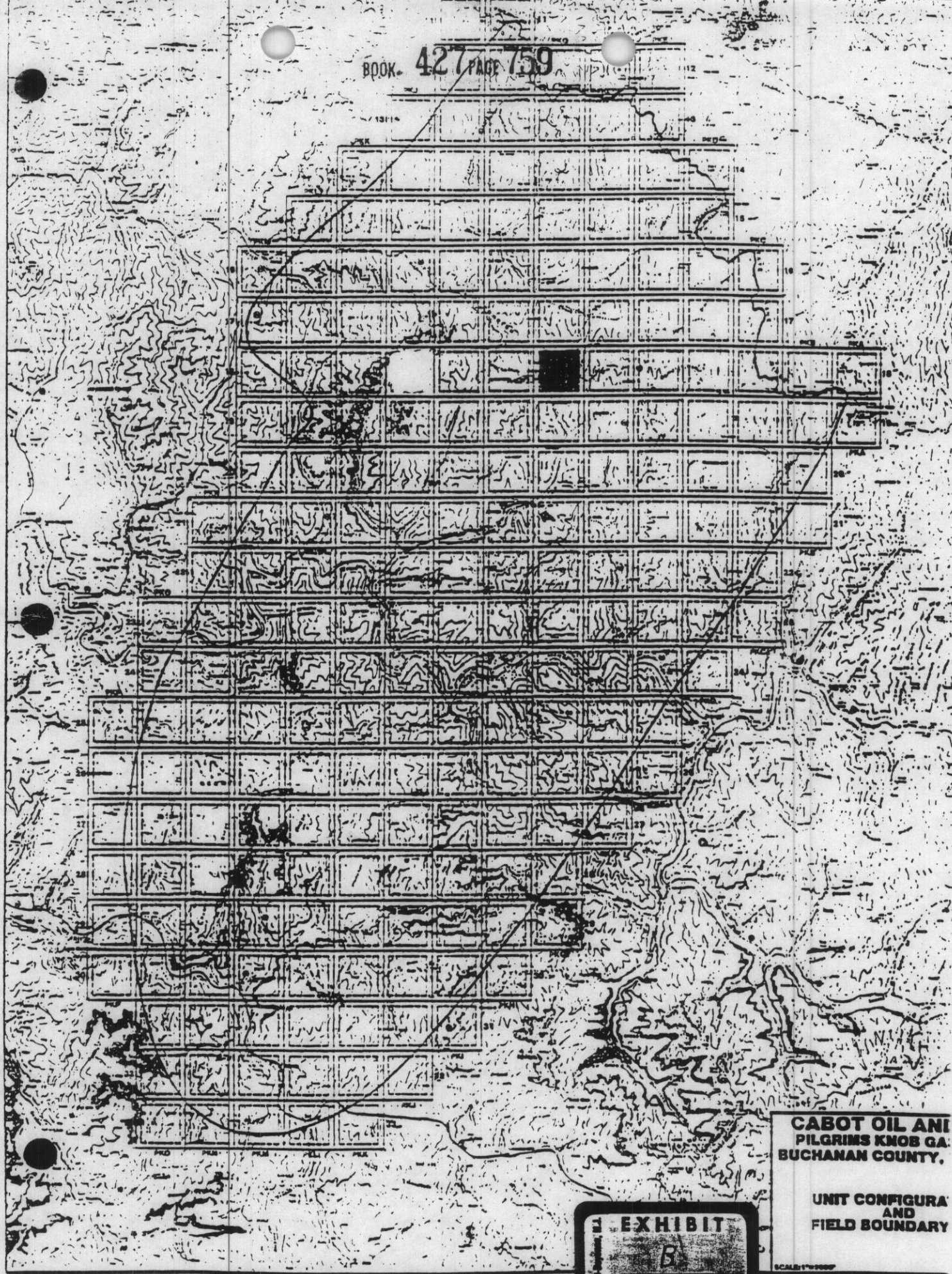
(LICENSE) NO. 13956

COMMONWEALTH OF VIRGINIA
OIL AND GAS DIVISION
PROFESSIONAL ENGINEER**WELL LOCATION MAP**+ DENOTES LOCATION OF WELL ON UNITED STATES
TOPOGRAPHIC MAPS, SCALE 1 TO 24,000 LATITUDE
AND LONGITUDE LINES BEING REPRESENTED BY
BORDER LINES AS SHOWN.

VGOB-94/04/19-0438

FORM 7

COMPANY ASHLAND EXPLORATION, INC.
 LEASE NAME A.G. DAY HEIRS
 TRACT ACRES 46.0 LEASE NO. 70993
 WELL NO. 1-PKG-18 SERIAL NO. 142771
 COUNTY BUCHANAN ELEVATION 2280.20
 QUADRANGLE PATTERSON
 DISTRICT NORTH GRUNDY
 ENGINEER STEPHEN N. PARKS
 DATE REV. FEBRUARY 11, 1994 SCALE 1" = 400'



**CABOT OIL AND
PILGRIMS KNOB GA.
BUCHANAN COUNTY.**

**UNIT CONFIGURA
AND
FIELD BOUNDARY**

**EXHIBIT
B**

SCALE 1"=1000'

VGOB-94/04/19-043

VGOB

EXHIBIT C

Owners and Potential Owners of Gas and Oil

Name/Address

1. Day Heirs:

Gladys McGlothin
1927 5th Street
Richlands, VA 24641

Grace Goss
P.O. Box 382
Doran, VA 24612

A.G. Day and Carrie Day
Box 31
Rosedale, VA 24280

Mildred D. Hunsaker
C/O Anthony Craig Hunsaker
P.O. Box 612
Richlands, VA 24641

Perry P. Day and Mildred A. Day
2708 Meadow Drive
Akron, OH 44312

Juanita D. Jewell and Joshua T. Jewell
2719 Mohican Drive
Akron, OH 44312

William A. Altizer and Virginia Altizer
General Delivery
Jewell Ridge, VA 24622

Lera Short and Elmer D. Short
P. O. Box 1423
Cedar Bluff, VA 24609

Rufus B. Altizer, Jr. and Glenna N. Altizer
P. O. Box 125
Jewell Ridge, VA 24622

John H. Altizer and Helen Altizer
HCR 63 Box 33
Jewell Ridge, VA 24622

Virginia E. Smith and Raymond S. Smith
P. O. Box 335
Doran, VA 24612

Henry Altizer and Helen Merlene Altizer
General Delivery
Jewell Ridge, VA 24622

Mollie Belle A. Meadows and Tivis Meadows
P. O. Box 321
Pounding Mill, VA 24637

Ruby A. Ward and Thomas D. Ward
General Delivery
Pilgrims Knob, VA 24634

Ollie Kate Honaker and Carlos A. Honaker
Rt. 4, Box 270
Ozard, AL 36360

Sadie MacKey
General Delivery
Cedar Bluff, VA 25609

Harold Altizer
General Delivery
Shortt Gay, VA 24647

Emery Altizer
Rt. 2
Cedar Bluff, VA 24609

A. Landon Altizer and Ineda Altizer
P. O. Box 32
Shortt Gap, VA 24647

Edna A. Lawson
P. O. Box 295
Raven, VA 24639

Robert B. Altizer and Susan H. Altizer
P. O. Box 718
Tazewell, VA 24651

Mary Sue Newsome
1809 Montavista Drive
Pulaski, VA

Johnny E. Altizer and Betsy C. Altizer
Box 1002
Richlands, VA 24641

Janis A. Humphrey
P. O. Box 9-A
Richlands, VA 24641

James Altizer
12831 Percival Street
Chester, VA 23831

Edna Day
15606 Carrollton Blvd.
Carrollton, VA 23314

Hazel D. Mathews
4221 Twin Pine Road
Portsmouth, VA 23703

Sybil D. Baldwin and James E. Baldwin
15616 Carrollton Blvd.
Carrollton, VA 23314

Edith D. Ratliff and Ralph Ratliff
Box 1894
Abingdon, VA 24210

Ola Gay D. Jordan and Melvin R. Jordan
15281 Turner Drive
Smithfield, VA 23430

K. David Day and Sylvia S. Day
15562 Carrolllton Blvd.
Carrolllton, VA 23314

Thelma F. Day Lovelace and Glen Lovelace
22801 Rein Street
East Detroit, MI 48021

Debra D. Williamson and Jack Williamson
15590 Carrolllton Blvd.
Carrolllton, VA 23314

Glen A. Day
6017 Jefferson Avenue
Newport News, VA 23605

Hobert W. Day and Rebekah Day
526 Onancock Trail
Newport News, VA 23602

Pernell A. Day
Rt. 1, Box 152
Carrolllton, VA 23314

Allie S. Gillespie and Troy Gillespie
Rt. 1, Box 150
Carrolllton, VA 23314

Windle A. Day and Caroline Day
P. O. Box 266
Carrolllton, VA 23314

Annette Day
P. O. Box 266
Carrolllton, VA 23314

Paul T. Chambers
Rt. 1, Pea Patch
Jewell Ridge, VA 24622

Ralph E. Chambers and Shirley B. Chambers
Rt. 1, Box 530
Pounding Mill, VA 24637

Rex T. Chambers and Delma H. Chambers
609 Virginia Avenue
Richlands, VA 24641

Homer C. Chambers
Rt. 1, Pea Patch
Jewell Ridge, VA 24622

Jerry T. Chambers
86221 Waterworks Road
Hopedale, OH 43976

Gaynell C. Horton and Donald C. Horton
General Delivery
Raven, VA 24639

Maybell C. Cole and Donald L. Cole
HCR 63, Box 58
Jewell Ridge, VA 24622

Bernice C. Nelson and Ronnie Nelson
HCR 63, Box 27
Jewell Ridge, VA 24622

Carol C. Nelson and Clyde A. Nelson
HCR 63, Box 21
Jewell Ridge, VA 24622

2. Buchanan Production Company
(Gas lessee from certain Day Heirs)
C/O Consolidation Coal Company
29 College Avenue
P. O. Box 890
Bluefield, WV 24605-0890
3. Oxy USA
(Gas lessee from certain Day Heirs)
C/O Consolidation Coal Company
29 College Avenue
P. O. Box 890
Bluefield, WV 24605-0890

4. Rogers Heirs -
Lon B. Rogers Bradshaw Trust
Fon Rogers, II, Trustee
403 Quality Place
300 East Main Street
Lexington, KY 40507
- 4b. Gregory Poulos
48 Azalee Avenue
Inglis, FL 32649
- 4c. Shaun Rogers
7 Main Street
St. Johnsbury, VT 05819
- 4d. Pamela Poulos
1444 Mendavia Avenue
Coral Gables, FL 33146
- 4e. Jason Poulos
10870 SW 95th Street
Miami, FL 33176
- 4f. Kevin Rogers
3975 20th Street, Suite J
Vero Beach, FL 32960
- 4g. James L. Rogers, III
U/W of James L. Rogers, Jr.
P. O. Box 365
Greenville, KY 42345
- 4h. T. G. Rogers, III
730 Walnut Forest Road Apt. L
Winston Salem, NC 27103
- 4i. Lloyd E. Painter, Trustee For
Derek B. Rogers
P. O. Box 385
Greenville, KY 42345

Owners and Potential Owners of Coal or Minerals

Same as above list of gas owners and including:

1. Jewell Smokeless Coal Corporation (coal lessee)
P. O. Box 70
Vansant, Virginia 24656
2. Jewell Ridge Coal Co. (coal lessee)
P. O. Box 7
Dante, Virginia 24237
3. Island Creek Coal Co. (coal lessee)
Drawer L
Oakwood, Virginia 24631

EXHIBIT D

Unleased Owners and Potential Owners of Gas
And their interests

<u>Name/Address</u>	<u>Interest In Tract</u>	<u>Interest In Unit by Acreage and by Percent</u>
1. <u>Day Heirs:</u>		
Mildred D. Hunsaker C/O Anthony Craig Hunsaker P.O. Box 612 Richlands, VA 24641	1/18	2.177776 ac. 1.209999%
William A. Altizer and Virginia Altizer* General Delivery Jewell Ridge, VA 24622	1/120	.326665 ac. .181499%
Lera Short and Elmer D. Short* P. O. Box 1423 Cedar Bluff, VA 24609	1/120	Same as above
Rufus B. Altizer, Jr. and Glenna N. Altizer* P. O. Box 125 Jewell Ridge, VA 24622	1/120	Same as above
John H. Altizer and Helen Altizer* HCR 63 Box 33 Jewell Ridge, VA 24622	1/120	Same as above
Virginia E. Smith and Raymond S. Smith P. O. Box 335 Doran, VA 24612	1/120	Same as above
Mollie Belle A. Meadows and Tivis Meadows* P. O. Box 321 Pounding Mill, VA 24637	1/120	Same as above

Ruby A. Ward and Thomas D. Ward* General Delivery Pilgrims Knob, VA 24634	1/120	Same as above
Ollie Kate Honaker and Carlos A. Honaker* Rt. 4, Box 270 Ozard, AL 36360	1/120	Same as above
Sadie MacKey General Delivery Cedar Bluff, VA 25609	1/120	Same as above
Janis A. Humphrey P. O. Box 9-A Richlands, VA 24641	1/350	.111998ac. .062228%
Edna Day** 15606 Carrolllton Blvd. Carrolllton, VA 23314	1/8	4.9ac. 2.7225%
Hazel D. Mathews** 4221 Twin Pine Road Portsmouth, VA 23703	1/56	6.99998ac. .388927%
Sybil D. Baldwin and James E. Baldwin** 15616 Carrolllton Blvd. Carrolllton, VA 23314	1/56	Same as above
Edith D. Ratliff and Ralph Ratliff** Box 1894 Abingdon, VA 24210	1/56	Same as above
Ola Gay D. Jordan and Melvin R. Jordan** 15281 Turner Drive Smithfield, VA 23430	1/56	Same as above
K. David Day and Sylvia S. Day** 15562 Carrolllton Blvd. Carrolllton, VA 23314	1/56	Same as above

VGOB-94/04/19-0438
PKG-18

Thelma F. Day Lovelace and Glen Lovelace** 22801 Rein Street East Detroit, MI 48021	1/112	.349997ac. .194463%
Allie S. Gillespie and Troy Gillespie** Rt. 1, Box 150 Carrollton, VA 23314	1/112	Same as above
Debra D. Williamson and Jack Williamson** 15590 Carrollton Blvd. Carrollton, VA 23314	1/448	.0875 ac. .048615%
Glen A. Day** 6017 Jefferson Avenue Newport News, VA 23605	1/448	Same as above
Hobert W. Day and Rebekah Day** 526 Onancock Trail Newport News, VA 23602	1/448	Same as above
Pernell A. Day** Rt. 1, Box 152 Carrollton, VA 23314	1/448	Same as above
Windle A. Day and Caroline Day** P. O. Box 266 Carrollton, VA 23314	1/224	.174996ac. .09723%
Annette Day** P. O. Box 266 Carrollton, VA 23314	1/224	Same as above
Paul T. Chambers Rt. 1, Pea Patch Jewell Ridge, VA 24622	1/24	1.63331ac. .907498%
Ralph E. Chambers and Shirley B. Chambers Rt. 1, Box 530 Pounding Mill, VA 24637	1/192	.204165ac. .133437%

Homer C. Chambers Rt. 1, Pea Patch Jewell Ridge, VA 24622	1/192	Same as above
Jerry T. Chambers 86221 Waterworks Road Hopedale, Ohio 43976	1/192	Same as above
Maybell C. Cole and Donald L. Cole HCR 63, Box 58 Jewell Ridge, VA 24622	1/192	Same as above
Bernice C. Nelson and Ronnie Nelson HCR 63, Box 27 Jewell Ridge, VA 24622	1/192	Same as above
Carol C. Nelson and Clyde A. Nelson HCR 63, Box 21 Jewell Ridge, VA 24622	1/192	Same as above
2. Buchanan Production Company C/O Consolidation Coal Company 29 College Avenue P. O. Box 1289 Bluefield, WV 24605 (Lessee of owners identified by "**")		
3. Oxy USA C/O Consolidation Coal Company 29 College Avenue P. O. Box 1289 Bluefield, WV 24605-0890 (Lessee of owners identified by "**")		

* = Leased by Buchanan Production Company
** = Interest Leased by Oxy, USA

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 3rd day of October, 1994 at 2:50 P. M.
Deed Book No. 427 and Page No. 770 TESTE: James M. Bevens, Jr., Clerk
Returned this date to: Sept. 7, 1994 TESTE: [Signature] Deputy Clerk
ROCK 11/4/16
Abingdon, VA 24210